

Capitol Flooding Forces Temporary Move



Legislative Library during cleanup

Flood-soaked carpets and damaged tile had to be removed and asbestos removal procedures undertaken on the flooring below. Initial damage estimates range from \$70,000 to \$100,000, with Dept. of Administration staff handling insurance claims and coordinating the cleanup work. Legislative Services staff swung into action, packing boxes and equipment for the move into temporary space. Indicative of staff efficiency under these trying circumstances, Librarian Kristin Ford packed the entire library collection on a Friday and had the “essential” library set up in temporary quarters and open to the public by the following Monday.



Librarian Kristin Ford in temporary Library



Temporary Research staff office

The Research and Legislation section moved into “The Bullpen,” an area used by reporters during legislative sessions. IT Supervisor Glenn Harris and his staff installed computer and telephone connections immediately, and the Research staff was able to continue its work with little interruption. Thanks to Ric Johnston and Darrel Pewtress, Dept. of Administration, the asbestos abatement, painting and laying of new carpet is being completed quickly, and staff should be able to return to their regular offices during the third week of July.

Citizens' Committee Makes Legislative Compensation Recommendation

On June 14, 2004, the Citizens' Committee on Legislative Compensation met to establish the rate of compensation for legislators serving in the 58th Idaho Legislature. Committee members reported on calls and letters they had received from legislators and citizens. There seemed to be little momentum for substantial pay increases in the face of the general economic conditions. The result of committee deliberations was to make minor wording changes for purposes of clarity, and to eliminate the \$50 per diem legislators receive during the interim for committee meetings. The rates of compensation and expense allowance will remain the same as the past two years.

Legislators will receive a basic salary of \$15,646 per year, with the President Pro Tempore of the Senate and the Speaker of the House receiving an additional \$3,000 salary per year. During the session, legislators who establish a second residence in Ada County will receive \$99 per day, while members who commute will receive \$38 per day plus actual mileage. In addition, a single payment of \$1,700 for unvouchered constituent service expenses is paid annually on the last pay date preceding the first day of December.

Staff Contact: Susan Bennion

Legislative compensation recommended by the Citizen's Committee will become effective December 1, 2004, and will apply for the next two years, unless the Legislature rejects the committee's recommendation prior to the 25th legislative day of the 2005 session.

Idaho Council on Indian Affairs Considers Education Issues

Idaho Council on Indian Affairs met June 10-11, 2004, in Fort Hall, Idaho. The focus of the meeting was public education. Members of the Shoshone-Bannock and other tribes testified regarding both the historical and current problems facing Indian students in the public school system. The Council discussed statistics showing that Indian students are not testing as well as other students. Individuals testified that standardized tests do not accurately reflect the cultural knowledge of Indian students, and that racial discrimination is still present in the public schools.

Brenda Honena explained the role of the Idaho Indian Education Committee, which is comprised of tribal leaders, educational leaders and representatives of public schools located on and around reservations. Stephen Fox discussed his position as the Indian Education Home School Coordinator for the Pocatello School District. Bill Brower addressed school transportation problems on the reservation.

The Council also discussed the role it should play in upcoming legislative efforts and submitted a letter to members of the Legislative Council emphasizing the importance of the Idaho Council on Indian Affairs for purposes of reviewing germane legislation. A tour of the Shoshone-Bannock Reservation was held on June 11, 2004. The next meeting of the Council is scheduled to be held on September 16, 2004, from 9:30 a.m. to 3:00 p.m., in the Idaho Statehouse.

Staff Contact: Caralee Lambert

General Fund Budget Update

Year-end Balance Exceeds Expectations

Final revenue and expenditure figures indicate that the total year-end balance for FY 2004 will be just over \$100 million, which is about \$28 million higher than the estimate at *Sine Die*. A strong and balanced revenue showing in May and June, along with spending reversions of about \$4 million, combined to produce this very positive budget picture. Overall, the ongoing baseline revenues increased about 5.6 percent over the previous year, as opposed to the 4.3 percent estimate upon which the budget was built.

Because the ending balance exceeded the estimate by at least \$5 million, an additional one percent, one-time salary increase will be provided for state employees. The details of the allocation of this unique salary increase provided by the Legislature are still being worked out by the Governor's Office and the Controller's Office, with input from legislative leadership.

The key to the spending plans for both FY 2005 and 2006 is to maximize the ending General Fund balances to help off-set the fiscal impact of the sales tax sunset, which will occur at the end of FY 2005 (June 30, 2005). This positive end to FY 2004 can only help the budget situation for the next session and, hopefully, the month-by-month positive revenue trend will continue.

| Fiscal Year 2004 | | |
|---------------------------------------|----------------------|------------------------|
| Revenues: | <u>Sine Die Est.</u> | <u>Actual Year-End</u> |
| Beginning balance | \$ 15,745,000 | \$ 15,745,000 |
| FY 2004 Revenue Estimate | | |
| Baseline revenue est. 4.4% (5.6% act) | 1,814,810,900 | 1,835,319,700 |
| Sales tax increase | 170,460,000 | 173,460,000 |
| Cigarette tax increase | 22,150,000 | 21,780,600 |
| Federal flexible grants | 50,000,000 | 50,000,000 |
| All other revenue adjustments | <u>(8,862,600)</u> | <u>(8,862,600)</u> |
| Total revenues | \$2,064,303,300 | \$2,087,442,700 |
| Expenditures: | | |
| General Fund Approp. (2.2% incr) | \$ 1,991,794,300 | \$ 1,987,198,600 |
| Estimated Ending balance | \$72,509,000 | \$100,244,100 |
| Fiscal Year 2005 | | |
| Revenues: | <u>Sine Die Est.</u> | <u>Adjusted Est.</u> |
| Beginning balance | \$72,509,000 | \$100,244,100 |
| Baseline revenue estimate @ 5.4% | 1,912,811,700 | 1,934,037,600 |
| Sales tax increase | 177,710,000 | 177,710,000 |
| To Budget Stabilization Fund | (20,731,400) | (20,731,400) |
| All other revenue adjustments | <u>(5,631,200)</u> | <u>(5,631,200)</u> |
| Total revenues | \$ 2,136,668,100 | \$ 2,185,629,100 |
| Expenditures: | | |
| General Fund Approp. (4.5% incr.) | \$2,082,138,300 | \$2,082,138,300 |
| One-time salary increase (1.0%) | | <u>5,001,000</u> |
| Total Expenditures | | \$2,087,139,300 |
| Estimated Ending balance | \$54,529,800 | \$98,489,800 |

Staff Contact: Jeff Youtz

Legislative Audits Report

Legislative Audits recently released fiscal year 2003 reports for the North Central District Health Department, Department of Labor, Idaho State Library, and a Management Letter on the Department of Health and Welfare.

The Management Letter on the Department of Health and Welfare contained the following nine findings and recommendations.

- ▶ Idaho's food stamp error rate has increased to 15 percent over the last several years and could result in federal sanctions.
- ▶ Additional options for recovery of Food Stamp overpayments could be pursued.
- ▶ No monitoring has occurred to ensure Nutrition Education expenditures meet program objectives.
- ▶ Errors in child support debt balances remain uncorrected for over three years.
- ▶ Additional federal funds are available if Medicaid costs for family planning services are identified.
- ▶ Eligibility for CHIP (Children's Health Insurance Program) continues to be improperly determined in 20 percent of cases tested.
- ▶ The need or amount of adoption subsidies for hard-to-place children is not evaluated annually as required by Idaho Code.
- ▶ Errors in the cost allocation processes omitted charges to the Child Support and Food Stamp programs.
- ▶ Funding for community-supported employment and related services is not coordinated or monitored.

The department agreed with the findings and has taken various steps to comply with the recommendations.

Staff Contact: Ray Ineck

Congratulations to Staff Auditors Chris Farnsworth and Otis Vance, who recently passed the final sections of the CPA exam.

OPE Releases Reports to JLOC

At a June 16 meeting of the Joint Legislative Oversight Committee (JLOC), the Office of Performance Evaluations presented three follow-up reports on previous evaluations.

Medicaid Program

The Department of Health and Welfare has implemented 14 of 18 recommendations from the 2000 evaluation of the Idaho's Medicaid Program. OPE contracted with the Lewin Group and Sjoberg Evashenk Consulting to conduct this evaluation. The follow-up review found the implementation of recommendations has resulted in a cost savings or cost avoidance of nearly \$52 million, including more than \$21 million to the state. Recommendations have also helped improve data and reporting systems and fraud and abuse investigations. JLOC determined no additional follow-up work is needed.

Air Quality Permitting Program

The Department of Environmental Quality has implemented seven of nine recommendations from the 2002 evaluation of the air quality permitting program. This evaluation focused on Title V operating permits (issued to large sources of pollution) and Permits to Construct (required before constructing or modifying facilities that emit pollutants). The department has taken steps to strengthen the financial management of Title V fee revenues, improve the accuracy and completeness of permit tracking data and issue Permits to Construct in a more timely manner. Since two recommendations are still in process, another follow-up review will be conducted in one year.

Idaho Child Care Program

The Department of Health and Welfare has implemented three of seven recommendations from the 2002 evaluation of the Idaho Child Care Program. The department has (1) improved information provided to parents, providers and the advisory panel; (2) established a professional development program to help providers improve the quality of their services; and (3) started an incentive program to reward continued professional development. The remaining recommendations are either in-process or partially implemented. OPE will conduct another follow-up review in one year.

Evaluations Currently Underway

JLOC approved the scope of work for three evaluations that will be released before or during the 2005 legislative session.

Education Technology Initiatives. Staff will analyze revenues, expenditures and results relating to K-12 technology initiatives. They will review the distribution of technology funds to school districts and how those funds are used, the role of the Idaho Council for Technology in Learning (ICTL), and requirements of the Idaho Student Information Management System (ISIMS) and the No Child Left Behind (NCLB) act.

Child Welfare Caseload Management Study. Staff will examine workloads and assess the accuracy of caseload figures reported by the child welfare program in the Department of Health and Welfare.

Strategic Planning and Performance Measurement Process. Staff will evaluate the effectiveness of the current process and examine options to improve the usefulness of performance information.

OPE seeks input from lawmakers —

As part of the study of Idaho's strategic planning and performance measurement process, OPE will survey all legislators, requesting input on the current process and how the process could be improved to provide useful information about agency performance.

Staff Contact: Rakesh Mohan

Proposed Administrative Rules

Agriculture, Department of

- 02.02.14 Rules for Weights & Measures
- 02.06.05 Diseases of Hops (*Humulus Lupulus*)

Building Safety, Division of

- 07.01.03 Electrical Licensing/Registration/General 0401
- 07.01.03 Electrical Licensing/Registration/General 0402
- 07.01.04 Electrical Specialty Licensing
- 07.01.05 Rules Governing Examinations
- 07.03.07 Use of International Energy Conservation Code
- 07.03.08 Rules Governing Commercial Coaches
- 07.03.10 Use of the International Residential Code
- 07.04.02 Safety - Elevators, Escalators & Moving Walks
- 07.05.01 Rules of Public Works Contractors Board
- 07.07.01 Installation - Heating, Ventilation, Air Conditioning

Education, Board of

- 08.01.01 St. Bd/Bd Regents of U of I Admin Procedures
- 08.02.03 Rules Governing Thoroughness (670)
- 08.02.03 Rules Governing Thoroughness (114)

Engineers & Land Surveyors, Board of

- 10.01.02 Bd Prof. Engineers/Surveyors/Prof. Responsibility

Environmental Quality, Department of

- 58.01.01 Control of Air Pollution in Idaho
- 58.01.02 Water Quality Standards/Wastewater Treatment
- 58.01.05 Rules & Standards for Hazardous Waste

Health & Welfare, Department of

- 16.02.19 Food Safety/Sanitation Standards/Restaurants
- 16.02.23 Rules Governing Indoor Smoking
- 16.03.09 Medical Assistance Program (16-0309-0402)
- 16.04.04 Min. Standards/Employ. Services/Chap. REPEAL
- 16.06.14 Prevention - Minors' Access to Tobacco Products

Labor, Department of

- 09.02.10 Eastern Snake Plain Aquifer Mitigation Grant Prog.

Medicine, Board of

- 22.01.04 Registration/Supervising & Directing Physicians

Pharmacy, Board of

- 27.01.01 Rules of the Idaho Board of Pharmacy

Veterans Services, Division of

- 21.01.02 Emergency Relief for Veterans

Staff Contact: Charmi Arregui

Legislative Perspective

An Internet Newsletter —

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